

**Date:** June 8, 2001  
**Memo To:** Conservation District Procedure Manual Holders  
**From:** Bob Bottman, Grants Officer  
**Subject:** Revision 49 – Revised Exhibit 360 WQ–Aiii, Application and Agreement for Cost-Sharing Assistance

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### **Purpose of this revision**

To distribute the revised Application and Agreement for Cost-Sharing Assistance form to conservation districts.

This form now incorporates requirements of ESHB 1785, which implements the JLARC audit report. If your district chooses to use its own written agreement for cost-sharing, it must contain the substance and purpose found in each of the sections of Exhibit 360 WQ-Aiii.

### **Summary of revision**

This revision:

1. Clarifies Section 2. of the form as it relates to the status of conservation planning on the applicant's operation;
2. Adds to Section 3. a space to describe the environmental quality benefits expected, as required by ESHB 1785 and the January 2001 JLARC audit report;
3. Clarifies in Section 5. that districts are not liable to provide cost-sharing money under the agreement unless sufficient funds for that purpose are made available by the Conservation Commission;
4. Cleans up earlier grammatical inconsistencies in Section 5; and
5. Includes new Section 360 WQ Pages 7 and 8.

**Instructions to Conservation District Procedure Manual holders:** This is the forty-ninth numbered revision to the Conservation District Procedure Manual. If you do not have an updated manual or manual binder, contact your field operations manager.

1. Insert this purple cover memo behind the "Revisions" tab, in front of the cover memos from all other revisions.
2. Fill in the blanks after line 49 on the Index of Manual Revisions as follows:

#	Section	Issued	Subject	Date	Who
49	360-Aiii	6/15/01	Application and Agreement for Cost-Sharing Assistance	Date inserted	Your initials

3. In Section 360 WQ, remove and recycle old Exhibit 360 WQ – Aiii, *Water Quality Grants Cost-Sharing Application and Implementation Agreement*, and discard.
4. In Section 360 WQ, insert new Exhibit 360 WQ – Aiii, *Application and Agreement for Cost-Sharing Assistance*.
5. Remove and recycle Section 360 WQ Pages 7 and 8
6. Insert the new Section 360 WQ Pages 7 and 8

**Washington State Conservation Commission  
APPLICATION AND AGREEMENT  
for  
COST-SHARING ASSISTANCE**

**Section 1. Cooperator**

Cooperator Name \_\_\_\_\_ Social Security/Federal ID # \_\_\_\_\_

Cooperator Address \_\_\_\_\_ Phone \_\_\_\_\_

**Section 2. Background**

- A. Has your local conservation district prepared a conservation plan for your operation? ☐ Yes ☐ No
- B. If so, does your plan represent your present operation? ☐ Yes ☐ No
- C. Has your plan been approved by the district? ☐ Yes ☐ No
- D. Will the BMP's described in Sections 3 & 4 allow you to completely implement your conservation plan? ☐ Yes ☐ No
- E. If cost-sharing assistance is approved for your operation, will you contribute labor, equipment, or materials during installation of the practice(s)? If you answer "yes," you *must* coordinate this with the district before the practice is installed to receive credit. ☐ Yes ☐ No

**Section 3. Environmental quality problems; proposed Best Management Practices (BMP); and environmental benefits expected (attach additional sheets if needed)**

**A. DESCRIPTION AND LOCATION OF ENVIRONMENTAL QUALITY PROBLEM(S).** Please include a legal description of where environmental quality problem(s) are and where needed practice(s) will be located. Please include photo of site(s) if available.

**B. BEST MANAGEMENT PRACTICES (BMP) OR CONSERVATION PRACTICES NEEDED TO CORRECT THE IDENTIFIED ENVIRONMENTAL QUALITY PROBLEM(S) AND FOR WHICH COST-SHARING ASSISTANCE IS REQUESTED.** Practices should be in order of logical implementation.

**C. DESCRIPTION OF ENVIRONMENTAL QUALITY BENEFITS THAT ARE EXPECTED TO BE PRODUCED BY THE PRACTICES INSTALLED.**

#### Section 4. Planned BMP and Calculation of Cost-Share Assistance *(attach a worksheet for each BMP)*

<b>Description of Planned BMP or Conservation Practice</b> (cost-sharing is based on NRCS specifications as a minimum; the cost differential for practices installed to higher specifications shall be the responsibility of the cooperator)	<b>NRCS Practice Code</b>	<b>Practice Design Life</b>	<b>Column 4 Total Value of Practice</b>  (sum of Columns 5+6+7)	<b>Column 5 Landowner's Contribution</b>  (from worksheet item 4)	<b>Column 6 Cost-Sharing From Other Sources</b>  (from worksheet item 5)	<b>Column 7 Eligible Cost-Share Requested</b>  (from worksheet item 6)
<b>Total Eligible Cost-Share</b>						
<b>Cost-Share Assistance Provided by Grant No.</b> _____ (be sure to use the complete grant number)						

## Section 5. Application and Agreement

I request cost-share assistance under the Conservation Commission's Water Quality Cost-Sharing program to install the best management/conservation practices described on the attached worksheets, and summarized in Section 4. above. These practices are needed to solve the water quality problems described in Section 1, and would not be performed to the extent requested and needed by me without state cost-sharing.

If sufficient cost-sharing funds are made available to the conservation district by the Conservation Commission, and if this application is approved for the practice(s) requested, I agree to ensure that all applicable local, state, and federal permits are obtained for installation of the practice(s) requested. Also, I agree to maintain the practice(s) for its design life as determined by the conservation district and as shown above. Further, I agree to refund all or part of the cost-share assistance paid to me as prorated by my local conservation district, if, before the expiration of each practice design life, I destroy the approved practice, or voluntarily relinquish management or title to the land on which the approved practice has been established and the new owner and/or operator of the land does not agree in writing to properly maintain the practice for the remainder of its lifespan.

Signature of Cooperator	Date	Signature of Landowner (if Cooperator is Lessee) <sup>1</sup>	Date
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Application Prepared By	District Staff	Date	Application Approved By	District Chair	Date
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<sup>1</sup> For state DNR lands, the lessee must obtain signature of the Regional Lease Officer or designee.

**Section 6. Agreement Completion Certification** *(must be signed prior to payment)*

I hereby certify that implementation of the above described BMP or conservation practices have been completed as of the date shown below, and that they meet the established NRCS specifications, or are alternative practice designs approved by a professional engineer. If cost-share payment is needed prior to completion of one or more practices, the district must verify that the practices have been completed or installed within the timeframe agreed to by the cooperator.

Implementation Checked	District Staff <sup>2</sup>	Date	Final Implementation Check <i>(if needed)</i>	District Staff <sup>2</sup>	Date
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Cooperator	Date	Approved By District Chair	Date
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<sup>2</sup> Includes NRCS technical personnel and district technicians with NRCS approval authority.

operator and the chair of the conservation district. Districts may, at their discretion, require that BMPs contained in these Plans be completely designed before committing cost-share funds to any dairy operator.

**Cost-shared BMPs** are limited primarily to those that are required in the Dairy Nutrient Management Plan for the protection of water quality. If the district determines that BMPs in a Dairy Nutrient Management Plan are no longer sufficient to protect water quality, it may authorize cost-sharing to upgrade or replace these BMPs, as long as the Plan is also updated.

**BMPs not in a DNMP** may be cost-shared by the district using Implementation or Competitive grants, if they are considered a high priority by the board.

**Cost-sharing budget** Each dairy nutrient management grant contract has funds allocated to cost-sharing. These funds may not be used for any other purpose, and may not be transferred to another budget object.

**Cost-share rates applicable to dairies only** The maximum cost-share rate for dairies using Commission grant funds is 75 percent. No more than 75 percent of the total cost of the practices installed may be provided by the district, from all sources, when using Commission grant funds. In other words, the dairy operator is required to provide at least 25 percent of the cost.

**Cost-sharing limit applicable to dairies only** The dollar limit for cost-sharing under Commission Dairy Nutrient Management Grants is \$50,000 per operation, per grant.

**Cost-share appeals for dairies** If a district believes there is good reason to cost-share above the \$50,000 limit or at a rate higher than 75 percent, it may file an appeal as shown on pages 8 and 9.

**Cost-sharing  
policy applicable to  
all Water Quality  
and Dairy Nutrient  
Management  
grants**

Districts are required to use a written cost-share application and agreement. The Commission encourages districts to use the **Application and Agreement for Cost-Sharing Assistance** form included here as Exhibit 360 WQ–Aiii. This form incorporates newly enacted requirements of ESHB 1785, which implements the JLARC audit report. If a district chooses to use its own form, it must contain the substance and purpose found in each of this form's sections.

**Methods of payment** A district may make cost-share payments directly to a cooperator on a reimbursement basis, or by providing the material and labor necessary for the project and then billing the cooperator for his share of the cost.

**IRS Form 1099** If a district uses the reimbursement method, it is no longer required to provide IRS Form 1099 to cooperators who received cost-share payments.

**Compliance checks** Districts may use grant funds to monitor cost-shared projects for compliance with the goals of the grant. Monitoring may take the form of physical inspections, spot checks, and may include water quality monitoring or screening if appropriate. Provisions for monitoring compliance should be included in every cost-sharing agreement the district enters into with its cooperators.

**Retroactive payments prohibited** No retroactive cost-share payments shall be made under the Commission's cost-sharing program. For purposes of this policy, the effective date of a Cost-sharing Application and Implementation Agreement is the date the District chair signs it, not the date the cooperator signs it. The term "retroactive" refers to any time prior to the date of the chair's signature.

**Cooperator's share** The Commission will accept the value of in-kind labor from cooperators based on the established rate of \$18.00 per hour. The Commission will not accept the value of land taken out of production in the course of installation of cost-shared BMP's, or loss of production value.

**Conservation easements** For landowners with conservation easements, the value of the easement may make up the required landowner match. This applies to any BMPs installed within the easements.

**Eligible BMPs** All BMPs meeting NRCS standards, or alternative practice designs approved by a licensed professional engineer, are eligible for cost-sharing. Emphasis will be placed on BMPs involving structures and facilities, including bioengineering practices.

**Maintenance or operation of existing BMPs** is not eligible for funding under this program. However, cost-sharing may be used to repair existing BMPs damaged or destroyed by acts of nature. An "act of nature" is defined as an occurrence, especially a disaster, that is due entirely to the forces of nature and that could not reasonably have been prevented. Districts considering the use of cost-share dollars for repair of existing BMPs destroyed by an act of nature should consider the cost-effectiveness of the repair, whether the design criteria is adequate, and if the public benefit outweighs private gain.

**Unique situations** If a District believes that cost-sharing a BMP in a unique situation will have a demonstrable, positive water quality impact, they may request cost-sharing approval from the Commission on a case-by-case basis. "A unique situation" is one that is outside the policy established and contained in Section 360 of this Procedures Manual and in the General Terms and Conditions attached to the Commission's grant contracts. The approval process for unique situations is the same as for cost-share appeals shown below.

**Cost-share appeals** If a district believes there is good reason to request a variance in either the cost-share rate or dollar limit for a Water Quality Program grant (Implementation or Competitive), or a Dairy Nutrient Management Program grant, it may submit an appeal to the Commission stating the nature of the hardship or special circumstance, and the cost-share percentage or maximum amount of cost-share desired.

Appeals of the Commission's cost-sharing policy must be in writing, signed by the district chair or designee, and sent to the Commission grants staff. Also, the appealing district must send a representative, authorized to speak on behalf of the district, to the Commission meeting at which the appeal will be heard. Commission members will consider variance requests on a case-by-case basis, and will respond to requests within two working days following the meetings. Appeals should be received in the Commission's headquarters office at least 15 days prior to

